

Lockheed Martin Corporation
Consolidated Statements of Earnings¹
(unaudited; in millions, except per share data)

	Quarters Ended	
	March 31, 2024	March 26, 2023
Net sales	\$ 17,195	\$ 15,126
Cost of sales	(15,202)	(13,080)
Gross profit	1,993	2,046
Other income (expense), net	36	(9)
Operating profit	2,029	2,037
Interest expense	(255)	(202)
Non-service FAS pension income	16	110
Other non-operating income, net	45	49
Earnings before income taxes	1,835	1,994
Income tax expense	(290)	(305)
Net earnings	\$ 1,545	\$ 1,689
Effective tax rate	15.8%	15.3%
Earnings per common share		
Basic	\$ 6.42	\$ 6.63
Diluted	\$ 6.39	\$ 6.61
Weighted average shares outstanding		
Basic	240.7	254.7
Diluted	241.6	255.7
Common shares reported in stockholders' equity at end of period	239	254

¹ The company closes its books and records on the last Sunday of the calendar quarter to align its financial closing with its business processes, which was on March 31, for the first quarter of 2024 and March 26, for the first quarter of 2023. The consolidated financial statements and tables of financial information included herein are labeled based on that convention. This practice only affects interim periods, as the company's fiscal year ends on Dec. 31.

Lockheed Martin Corporation
Business Segment Summary Operating Results
(unaudited; in millions)

	Quarters Ended		% Change
	March 31, 2024	March 26, 2023	
Net sales			
Aeronautics	\$ 6,845	\$ 6,269	9%
Missiles and Fire Control	2,993	2,388	25%
Rotary and Mission Systems	4,088	3,510	16%
Space	3,269	2,959	10%
Total net sales	\$ 17,195	\$ 15,126	14%
Operating profit			
Aeronautics	\$ 679	\$ 675	1%
Missiles and Fire Control	311	377	(18%)
Rotary and Mission Systems	430	350	23%
Space	325	280	16%
Total business segment operating profit	1,745	1,682	4%
Unallocated items			
FAS/CAS operating adjustment	406	415	
Intangible asset amortization expense	(61)	(62)	
Other, net	(61)	2	
Total unallocated items	284	355	(20%)
Total consolidated operating profit	\$ 2,029	\$ 2,037	—%
Operating margin			
Aeronautics	9.9%	10.8%	
Missiles and Fire Control	10.4%	15.8%	
Rotary and Mission Systems	10.5%	10.0%	
Space	9.9%	9.5%	
Total business segment operating margin	10.1%	11.1%	
Total consolidated operating margin	11.8%	13.5%	

Table 2

Lockheed Martin Corporation
Selected Financial Data
(unaudited; in millions)

	<u>2024 Outlook</u>	<u>2023 Actual</u>
Total FAS income CAS cost		
FAS pension income	\$ —	\$ 378
Less: CAS pension cost	<u>1,685</u>	<u>1,725</u>
Total FAS/CAS pension adjustment	\$ 1,685	\$ 2,103
 Service and non-service cost reconciliation		
FAS pension service cost	\$ (60)	\$ (65)
Less: CAS pension cost	<u>1,685</u>	<u>1,725</u>
Total FAS/CAS pension operating adjustment	<u>1,625</u>	<u>1,660</u>
Non-service FAS pension income	<u>60</u>	<u>443</u>
Total FAS/CAS pension adjustment	\$ 1,685	\$ 2,103

Lockheed Martin Corporation
Consolidated Balance Sheets
(unaudited, in millions, except par value)

	March 31, 2024	Dec. 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 2,790	\$ 1,442
Receivables, net	2,257	2,132
Contract assets	14,050	13,183
Inventories	3,278	3,132
Other current assets	583	632
Total current assets	<u>22,958</u>	<u>20,521</u>
Property, plant and equipment, net	8,354	8,370
Goodwill	10,789	10,799
Intangible assets, net	2,151	2,212
Deferred income taxes	3,024	2,953
Other noncurrent assets	7,687	7,601
Total assets	<u>\$ 54,963</u>	<u>\$ 52,456</u>
Liabilities and equity		
Current liabilities		
Accounts payable	\$ 3,523	\$ 2,312
Salaries, benefits and payroll taxes	2,679	3,133
Contract liabilities	8,745	9,190
Current maturities of long-term debt	168	168
Other current liabilities	2,584	2,134
Total current liabilities	<u>17,699</u>	<u>16,937</u>
Long-term debt, net	19,250	17,291
Accrued pension liabilities	6,133	6,162
Other noncurrent liabilities	5,231	5,231
Total liabilities	<u>48,313</u>	<u>45,621</u>
Stockholders' equity		
Common stock, \$1 par value per share	239	240
Additional paid-in capital	—	—
Retained earnings	15,222	15,398
Accumulated other comprehensive loss	(8,811)	(8,803)
Total stockholders' equity	<u>6,650</u>	<u>6,835</u>
Total liabilities and equity	<u>\$ 54,963</u>	<u>\$ 52,456</u>

Table 4

Lockheed Martin Corporation
Consolidated Statements of Cash Flows
(unaudited; in millions)

	Quarters Ended	
	March 31, 2024	March 26, 2023
Operating activities		
Net earnings	\$ 1,545	\$ 1,689
Adjustments to reconcile net earnings to net cash provided by operating activities		
Depreciation and amortization	351	325
Stock-based compensation	61	57
Deferred income taxes	(77)	(117)
Changes in assets and liabilities		
Receivables, net	(125)	(78)
Contract assets	(867)	(871)
Inventories	(146)	(383)
Accounts payable	1,301	1,217
Contract liabilities	(445)	(152)
Income taxes	341	414
Qualified defined benefit pension plans	(1)	(94)
Other, net	(303)	(443)
Net cash provided by operating activities	1,635	1,564
Investing activities		
Capital expenditures	(378)	(294)
Other, net	6	35
Net cash used for investing activities	(372)	(259)
Financing activities		
Issuance of long-term debt, net of related costs	1,980	—
Repurchases of common stock	(1,000)	(500)
Dividends paid	(780)	(784)
Other, net	(115)	(128)
Net cash provided by (used for) financing activities	85	(1,412)
Net change in cash and cash equivalents	1,348	(107)
Cash and cash equivalents at beginning of period	1,442	2,547
Cash and cash equivalents at end of period	\$ 2,790	\$ 2,440

Table 5

Lockheed Martin Corporation
Other Financial and Operating Information
(unaudited; in millions, except for aircraft deliveries and weeks)

	March 31, 2024	Dec. 31, 2023
Backlog		
Aeronautics	\$ 57,035	\$ 60,156
Missiles and Fire Control	31,297	32,229
Rotary and Mission Systems	38,030	37,726
Space	33,006	30,456
Total backlog	\$ 159,368	\$ 160,567

	Quarters Ended	
	March 31, 2024	March 26, 2023
Aircraft Deliveries		
F-35	—	5
F-16	3	1
C-130J	4	2
Government helicopter programs	13	10
Commercial helicopter programs	—	1
International military helicopter programs	—	—

	2024	2023
Number of Weeks in Reporting Period¹		
First quarter	13	12
Second quarter	13	13
Third quarter	13	13
Fourth quarter	13	14

¹ Calendar quarters are typically comprised of 13 weeks. However, the company closes its books and records on the last Sunday of each month, except for the month of Dec., as its fiscal year ends on Dec. 31. As a result, the number of weeks in a reporting quarter may vary slightly during the year and for comparable prior year periods.